

OFFICIAL FILEJ.C.C. DOCKET NO. 020528Exhibit No. 2Witness Chris MeyerDate 9/14/01 Reporter BR**PUBLIC COMMUNICATIONS SERVICES, INC.****BALANCE SHEET
MARCH 31, 2001****ASSETS****CURRENT ASSETS**

Cash	\$ 99,407
Accounts receivable	6,501,629
Prepaid expenses and other assets	242,946
Due from related parties	7,240,019
	<u>14,084,001</u>

FURNITURE AND EQUIPMENT, net 4,762,158

TOTAL ASSETS **\$18,846,159**

LIABILITIES AND STOCKHOLDERS' EQUITY**CURRENT LIABILITIES**

Bank overdraft	\$ 696,036
Accounts payable	4,371,389
Accrued expenses	4,052,497
Short-term borrowings	1,500,000
Income taxes payable	139,843
Due to related parties	2,489,430
Note payable and capital lease obligation, current portion	536,926
	<u>13,786,121</u>

NONCURRENT LIABILITIES

Notes payable - stockholder	1,300,000
Note payable and capital lease obligation, net of current portion	1,934,096
	<u>3,234,096</u>

COMMITMENTS (Note 9)**STOCKHOLDERS' EQUITY**

Common stock, no par value, 10,000 shares authorized, 1,000 shares issued and outstanding	3,400
Retained earnings	1,822,542
	<u>1,825,942</u>

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY **\$18,846,159**

The accompanying notes are an integral part of these statements.

PUBLIC COMMUNICATIONS SERVICES, INC.
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2001

REVENUES	\$52,079,179
COST OF REVENUES	<u>40,372,219</u>
GROSS PROFIT	11,706,960
GENERAL AND ADMINISTRATIVE EXPENSES	<u>10,212,467</u>
INCOME FROM OPERATIONS	<u>1,494,493</u>
OTHER EXPENSE	
Interest expense, net of interest income	558,267
Loss on disposal of furniture and equipment	<u>155,908</u>
	<u>714,175</u>
INCOME BEFORE INCOME TAXES	780,318
PROVISION FOR INCOME TAXES	<u>29,984</u>
NET INCOME	750,334
RETAINED EARNINGS, BEGINNING	<u>1,072,208</u>
RETAINED EARNINGS, ENDING	<u>\$ 1,822,542</u>

The accompanying notes are an integral part of these statements.

PUBLIC COMMUNICATIONS SERVICES, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2001

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	\$ 750,334
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	1,049,617
Loss on disposal of furniture and equipment	155,908
Change in deferred taxes	(118,262)
(Increase) decrease in:	
Accounts receivable	(2,883,937)
Other receivable	642,387
Prepaid expenses and other assets	(84,365)
Increase in:	
Bank overdraft	168,609
Accounts payable	1,078,957
Accrued expenses	4,052,497
Income taxes payable	43,963
Net Cash Provided By Operating Activities	<u>4,855,708</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of furniture and equipment	(2,509,504)
Proceeds on sale of furniture and equipment	27,570
Net Cash Used In Investing Activities	<u>(2,481,934)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Net change in short-term borrowings	(1,000,000)
Net change in due to (from) related parties	(4,956,912)
Proceeds from note payable	2,500,000
Repayment of note payable and capital lease obligation	(191,653)
Proceeds from notes payable - stockholder	1,300,000
Net Cash Used In Financing Activities	<u>(2,348,565)</u>
NET CHANGE IN CASH	25,209
CASH AT BEGINNING OF YEAR	<u>74,198</u>
CASH AT END OF YEAR	<u>\$ 99,407</u>

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